



STATE OF DELAWARE
DEPARTMENT OF FINANCE
DIVISION OF ACCOUNTING

820 SILVER LAKE BOULEVARD
SECOND FLOOR, SUITE 200, (D570C)
DOVER, DELAWARE 19904

FAX: (302) 739-1200

TELEPHONE: (302) 672-5500

MEMORANDUM

TO: All Department and School Fiscal Officers
FROM: Trisha L. Neely, Director
DATE: July 07, 2008
SUBJECT: FY2008 GAAP Financial Reporting

The GMEN system will be available for data entry on July 9, 2008. Forms provided in the FY2008 *GAAP Reporting Package Manual* must be completed and used to input information into the GMEN system **by August 8, 2008**, the due date for all GAAP reporting package information.

Please submit the General Questionnaire, Forms A-3B, A-5, and G-5, and the GAAP Reporting Package Checklist to this office. For reference and auditing purposes, please retain a copy of these forms in your work papers. Forms A-3B and A-5 require a *live* signature certifying that the cash and cash equivalent accounts have been reported and the information is accurate and complete. For segregation of duties purposes, the authorized signature **must** be that of someone other than the person responsible for the day-to-day activities of the account(s) or the person preparing the form. The following methods of submission are acceptable:

- Mail to:

The Department of Finance
Division of Accounting
820 Silver Lake Blvd, Suite 200
Dover, DE 19904
SLC D570C
Attention: Shaina Cooper
- Fax to the attention of Shaina Cooper at 739-1304
- Email to shaina.cooper@state.de.us

You are required to retain copies of all supporting documentation for amounts reported in the GAAP reporting package including current and prior year amounts. Documentation includes organizational policies and procedures (such as accounts receivable collection), situations unique to your organization for which you have received special instructions from any federal or state office, and any legal requirements. All documentation is subject to review for audit purposes and must be retained until audited. Work papers should be neat, legible, complete, accurate, logically organized and support the conclusion(s) reached.

We have included frequently asked questions during GAAP training to assist you with the preparation of your GAAP package. If you have any questions relative to the GAAP reporting process, please contact Shaina Cooper or Dawn Haw-Young (672-5516 or dawn.haw-young@state.de.us).

Everyone is encouraged to submit their GAAP package before the August 8, deadline since our work to prepare the 2008 CAFR is dependent upon receipt of this information. Exceptions to the deadline must be approved in advance, in writing, (email requests are acceptable) by the Director of the Division of Accounting.

Attachment

FY2008 GAAP Reporting Package Frequently Asked Questions

Attachment

The Division of Accounting encountered some common questions during the GAAP reporting package training which have been addressed below:

Q: Are all cash and investment accounts outside of DFMS required to be reported?

A: Yes, all cash and investment accounts outside of DFMS must be reported. There is no minimum threshold.

Q: Why are accounts payables to be included in Section C of the GAAP reporting packages if the “Date of Goods or Services Received” field on the PV and IV documents is capturing this in DFMS?

A: Accounts payable are to be reported in Section C of the GAAP reporting packages **only** if the payment will **not** be processed through DFMS. However if the PV or IV document is expected to be made after August 31 (with a goods/service date of 6/30) please contact our office.

Q: Are fringe benefits to be included in my calculations for both the Accounts Payable and Grants sections?

A: You must report fringe benefits paid with grant funds in the Grants section. The Division of Accounting will report amounts in the Accounts Payable section including lag payroll amounts earned, but not paid as of June 30th.

Q: Should used textbooks and instructional supplies be included?

A: No, only new and unused supplies, materials, and goods where the total value, per central location, exceeds \$100,000 should be reported.

Please note – Inventory is only to be reported, in the aggregate, per agency (i.e. department / school district level), if the total value of inventory exceeds \$500,000.

Q: Should future year minimum lease expenses be included for annual contracts that are renewed yearly?

A: If the contract was renewed (signed) in June, FY2009 costs should be included. However, if the contract was not signed until August, then FY2009 costs should not be included.

Please note - Only true contractual obligations should be considered. Do not anticipate that a contract will be renewed for future years.

Q: My lease ends in FY2010; however we are in the process of breaking the lease in FY2009. Should I report the FY2010 costs since it is anticipated that the contract will be settled in FY2009?

A: Yes, the FY2010 costs should be reported since the actual signed contract liability is as of June 30. Your plan for breaking the lease does not remove the liability at June 30.

Q: For month-to-month leases, what costs should be reported?

A: For month-to-month leases, the July and August 2009 costs should be reported.

Q: If my organization is on Time and Labor, should I be reporting compensated absences?

A: Yes, your compensated absences are still required to be reported in your GAAP reporting package.

Please note – Management is responsible for reviewing the reports from Time and Labor to ensure accuracy of the data.

Q: How do you report University of Delaware activity in the GAAP reporting package?

A: Report any amounts owed to your agency from the University in Section B of the GAAP reporting package in the "regular" Accounts Receivable section; report any payments owed to the University that have not processed through DFMS in Section C of the GAAP reporting package.